

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

-----X)	
In re)	Chapter 11
)	
TELEGLOBE COMMUNICATIONS)	Jointly Administered
CORPORATION, <i>et al</i> ,)	Bankr Case No 02-11518 (MFW)
)	
Debtors.)	
-----X)	
TELEGLOBE COMMUNICATIONS)	C A No 04-CV-1266 (SLR)
CORPORATION, <i>et al</i> ,)	
)	
Plaintiffs,)	
)	
v)	
)	
BCE INC , <i>et al</i> ,)	
)	
Defendants)	
-----X)	

**DEBTORS' RESPONSE TO THE COURT'S JULY 18, 2005 ORDER
REQUESTING IDENTIFICATION OF OUTSTANDING ISSUES PRESENTED IN
DEBTORS' MOTION TO COMPEL**

In response to the Court's July 18, 2005 Order requesting that the Debtor/Plaintiffs (the "Debtors") identify the issues raised in their February 11, 2005 Motion to Compel (D I 74) which remain in dispute, the Debtors state as follows:

1 Only one critical issue addressed by the Debtors in their Motion to Compel remains in dispute and requires a decision from the Court. Specifically, Debtors have requested the immediate production of hundreds of documents withheld by Defendants as privileged, which were authored, transmitted, and/or received by the Debtors' very own fiduciaries, including the Debtors' own lawyers. Subject to the production of supplemental privilege logs by the Defendants, the documents sought by

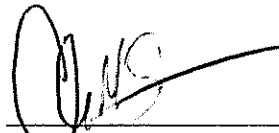
the Debtors are among those identified on the Defendants' Rule 2004 privilege log and the Defendants' February 18, 2005 privilege log.¹

2 The factual discussion and legal arguments relevant to the outstanding privilege (and dual fiduciary) issues are set forth on pages 17 to 20 and 25 to 40 of the Debtors' Opening Brief (D I 76), pages 26 to 40 of Defendants' Answering Brief (D I 87), and pages 9 to 20 of the Debtors' Reply Brief (D I 91). In addition, the parties discussed this issue with the Court during the March 31, 2005 and July 7, 2005 discovery conferences (See 3/31/05 Tr at 36-40 and 7/07/05 Tr.)² Finally, the Debtors, pursuant to Local Rule 7.1 2(c), brought to the Court's attention a recent decision from the United States Bankruptcy Court for the Northern District of Texas which is relevant to this privilege issue. See *In re Mirant Corp.*, 2005 Bankr LEXIS 1139 (N D Tex June 15, 2005) (Ex. B hereto).

3 Apart from the aforementioned dual fiduciary issue, the parties have been attempting to work through the remaining issues raised in the Motion to Compel, in accordance with the directions of the Court at the various discovery conferences held in this matter. While several items remain outstanding, given the upcoming discovery conference now scheduled for August 10, 2005, the Debtors are content to withdraw without prejudice their Motion to Compel as it relates to issues other than those referenced in the first two paragraphs of this submission.

¹ The Rule 2004 privilege log is attached as Exhibit E to the Affidavit of Chad M Shandler in Support of Plaintiffs' Opening Brief in Support of Their Motion to Compel Production of Documents Wrongfully Withheld by Defendants (D I 75). The February 18, 2005 privilege log is attached hereto at Exhibit A.

² Specific page numbers from the July 7, 2005 transcript will be provided when the transcript is completed.



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Dated: July 26, 2005

CERTIFICATE OF SERVICE

I hereby certify that on July 26, 2005, I hand delivered and electronically filed the foregoing document with the Clerk of Court using CM/ECF, which will send notification of such filing(s) to the following

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I hereby certify that on July 26, 2005, I have sent by Federal Express the foregoing document to the following non-registered participant.

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